

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY

CURRENT

SUBJECT: AFFORDABLE/IN-FILL HOUSING AND SUSTAINABLE BUILDINGS
EXPEDITE PROGRAM
POLICY NO.: 600-27
EFFECTIVE DATE: May 20, 2003

BACKGROUND:

The City is currently experiencing a severe lack of affordable housing affecting all sectors of society including but not limited to new graduates, senior citizens, single parents, first-time home buyers, disabled, employees in healthcare, education, biotech, and tourism. Many diverse interests have come to realize the correlation between the availability of affordable housing and the quality of life of our residents, as well as the continued economic vitality of our city. Many economic and housing analysts have reported that the single greatest threat to our region's economy is the high cost of local housing.

Many factors have contributed to the current under supply of affordable housing. New housing development has not kept pace with job or population growth, resulting in housing costs that have increased at a much faster rate than incomes in the last decade. This divergence of income and home price leaves fewer than 25 percent of county residents with the ability to afford the median-priced home. Similar statistics exist for the rental market. Many families are dealing with the increases in housing costs by dangerously paying much higher portions of their incomes than is sustainable or by doubling up on occupancy.

The City of San Diego is in the midst of a declared state of emergency for affordable housing, and has taken numerous steps to address the crisis. One important step is the adoption of an Inclusionary Housing Ordinance that requires all new residential development to set aside at least 10 percent of the units to be affordable to families at 65 percent (rental) and 100 percent (for-sale) of the Area Median Income (AMI). Another important step is the City Council's adoption of the Comprehensive Affordable Housing Collaborative's Notice of Funding Availability (NOFA), which will leverage redevelopment low and moderate income housing set-aside funds to create up to \$55 million in affordable housing financing, which will assist in the development of over 2,100 new affordable housing units Citywide within the next five years. In an effort to produce more affordable housing in the shortest possible time and to reduce development costs to the greatest extent, it is desirable to expedite the permit processing of such projects.

PURPOSE:

To establish a policy for:

1. Expediting the development review process for in-fill and affordable housing projects;
2. Defining those in-fill and affordable housing projects that qualify for expedited permit processing;
3. Prioritizing projects in the event the expedite program's carrying capacity is exceeded.

POLICY:

Eligibility:

The following development projects shall be eligible for expedited permit processing under this policy:

- A. Residential development projects where at least 10 percent of the units are set aside for households with an income at or below 65 percent AMI for rental units and at or below 100 percent AMI for for-sale units as set forth in the City's Inclusionary Housing Ordinance.
- B. Residential development projects that receive funding from the Comprehensive Affordable Housing Collaborative (The Redevelopment Division of the Community and Economic Development Department, Centre City Development Corporation, Southeastern Economic Development Corporation, and the San Diego Housing Commission) where at least 15 percent of the units are set aside for households with an income at or below 120 percent AMI, as determined by the San Diego Housing Commission.
- C. Residential development projects underwritten to utilize Federal, State or Local funds and which result in a regulatory agreement that restricts tenancy and rents at or below 60 percent AMI.
- D. Urban In-fill housing projects of 10 units or more within "Urbanized" areas of the City as defined in the Progress Guide and General Plan. These in-fill projects are eligible for expedited processing under this policy provided that all of the dwelling units are affordable to households earning no more than 150 percent AMI for both rental and for-sale (first ownership cycle only) units. In-fill housing projects need to provide a larger number of affordable housing units than they replace.
- E. Military Housing constructed by the Federal Government or through a contract with the Federal Government, for use by active military personnel and their families.
- F. New residential, commercial, and industrial development projects which meet the "sustainable buildings" definition under City Council Policy 900-14.
- G. Mixed-use development projects (development projects that combine residential with other land uses) where at least 50 percent of the gross floor area of the entire development project site is dedicated to residential dwelling units affordable as described in A, B, C and/or D above.

Projects that elect to pay In-Lieu fees to satisfy the affordable housing requirement are not eligible for expedited permit processing under this policy (except for E and F above).

Process:

The following procedure will be adopted to assist and expedite the discretionary permit process for all projects eligible under this policy. Ministerial building permits and engineering approvals will also be expedited through the express plan check process.

Mandatory Preliminary Review Meetings. Mandatory preliminary review meetings allow for early feedback regarding project proposals and helps developers to fashion a proposal that best meets the City's guidelines and the community's expectations and desires. Further, preliminary review meetings provide an opportunity to identify important stakeholders in the community review process, particularly community planning groups. Preliminary Review Meetings enable staff to identify issues for the project applicant prior to formal design and submittal of the project application and documents. Also, the applicant shall fund the environmental initial study at this stage, enabling staff and the applicant to determine the scope of the project and any additional information or studies that may be required.

Completeness Check. 5 business days for initial determination.

First Review Cycle. 20 business days.

Project Review Meeting. Within 10 days after the first review cycle a project review meeting will be scheduled to further clarify outstanding issues and resolve project conflicts. Assuming all project issues have been resolved and necessary documentation provided to the City, the project could proceed to a public hearing based upon the availability of the environmental document.

Subsequent Review Cycles (if needed). 10 business days.

Public Hearing. Upon completion of the third review cycle and availability of the environmental document, at the applicant's request the City will schedule the project for a public hearing. City staff will recommend denial of any project that has not demonstrated compliance with the applicable regulations or submitted adequate documentation to complete project review.

Carrying Capacity:

A key component to the success of this program will be identifying the "carrying-capacity" of the expedite program in order to maintain efficiency and effectiveness within established timelines. This expedite program will be staffed appropriately thereby maintaining the ability to meet established timetables, however workload is unpredictable. During those periods when workload exceeds the carrying capacity of the expedite program, the Program Manager of the Affordable/In-Fill Housing Expedite Program will begin deferring projects through the normal development review process, and provide expedited permit processing (both discretionary and ministerial) based on the following priority list:

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY

CURRENT

- Priority 1: City of Villages Pilot Projects selected by the City Council that provide affordable housing as defined in the eligibility section of the Policy.
- Priority 2: Residential development projects that qualify as both “Affordable Housing” and “Sustainable Building” projects as defined by City Council Policies 600-27 and 900-14.
- Priority 3: Residential development projects that qualify for the 9 percent tax credit or multifamily revenue bonds.
- Priority 4: Residential development projects which provide more than 10 percent of the required “affordable housing” units and all of the affordable units are provided on-site as well as mixed-use projects as defined in Council Policy 600-27, residential, commercial, or industrial projects which meet the “sustainable buildings” definition under City Council Policy 900-14. (Within Priority 4, projects that set aside the highest percentage of units affordable to households at the lowest income levels and projects that propose the highest percentage of “sustainable energy supply” will have higher priority compared to projects with lower percentages.)
- Priority 5: Residential development project sponsored by and/or receiving funding from the Comprehensive Affordable Housing Collaborative (the Redevelopment Division of the Community and Economic and Development Department, Centre City Development Corporation, Southeastern Economic Development Corporation, and the San Diego Housing Commission) where at least 15 percent of the units are set aside for households with an income at or below 120 percent AMI.
- Priority 6: Residential development projects where at least 10 percent of the units on-site are set aside at no more than 65 percent AMI for rental units and at no more than 100 percent AMI for for-sale units as set forth in the City’s Inclusionary Housing Ordinance.
- Priority 7: Residential development projects where at least 10 percent of the units off-site are set aside at no more than 65 percent AMI for rental units and at no more than 100 percent AMI for for-sale units as set forth in the City’s Inclusionary Housing Ordinance.
- Priority 8: Urban In-fill housing project of 10 units or more as defined in Council Policy 600-27.
- Priority 9: Military Housing constructed by the Federal Government or through a contract with the Federal Government, for use by active military personnel and their families.

REFERENCES:

Related existing Council Policies:

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY

CURRENT

900-14, Sustainable Building Policy

HISTORY:

Adopted by Resolution R-251516 03/31/1980
Amended by Resolution R-257053 08/24/1982
Amended by Resolution R-284238 07/05/1994
Amended by Resolution R-298001 05/20/2003